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April 24, 1996

Mr. Lester Snow
Executive Director
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

**RE: Programmatic EIS/EIR
Alternative Solutions**

Dear Mr. Snow:

I presented brief comments at the Monday, April 15, 1996 scoping meeting in Sacramento regarding the above referenced EIS/EIR process.

I spoke specifically on the concern the dairy industry has on Alternatives as presented within the Cal-Fed Phase I Progress Report dated April 1996 that include discussions regarding "land retirement". My concerns evolved around the potential of a comparison among agricultural commodities and their "least market value" as occasionally defined among the environmental community, as well as within water agencies of the state.

Western United Dairymen (WUD) completed and submitted as part of the proposed Bay/Delta standards hearing in September 1994 the enclosed document entitled, *The Economic Impacts of the Proposed Federal Bay/Delta Standards on the California Dairy Industry*. The document, compiled for WUD by Northwest Economic Associates, details the worth of California's milk producer and processor industry and the severe impacts the industry would suffer under inappropriate water standards or misallocations of water to agriculture by proposed rulemaking at that time.

The report, a copy of which is enclosed, also details the "forward economic linkages" that many of the San Joaquin Valley communities have developed based upon the stability and depth of many of the commodities grown in the valley, especially alfalfa as used within the dairy industry. After my comments on Monday, April 15 you and your staff asked if I might submit a copy of our report for your review as you consider the impacts of program alternatives.

I am pleased to be able to comply with your request by submitting the enclosed. If you have any clarifying questions you may contact me at the above phone number. You may also wish to contact Dr. Duane Paul, Vice President, Northwest Economic Associates @ 916/444-9927. Dr. Paul was the project manager for this report. Thank you.

Sincerely,

Gary Conover
Vice President

Enclosure

cc: Geoffrey Vanden Heuvel, Milk Producer's Council

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